

# LICENSEE

News & Updates from the Virginia Department of Alcoholic Beverage Control, Spring 2012, Issue 18.2

## Free Prevention Posters Enclosed

**H**OT OFF THE PRESS, the enclosed posters are ABC's newest publications designed to deter sales to underage and/or intoxicated patrons.

The posters inform customers that employees at your establishment follow ABC laws in order to protect themselves and the business. Denying illegal sales promotes public safety and protects the customer as well. Please read the related articles about sales to intoxicated customers (page 10) and FDA checks (page 11).

*Licensees are encouraged to place these posters in an area where they can be seen by staff and customers.*

"Licensees are encouraged to place these posters in an area where they can be seen by staff and customers," ABC Senior Special Agent Will Goodman said.

Many thanks to Jeffrey Miller, president of Miller Oil Company, for allowing ABC to shoot the off-premise poster at Miller's Neighborhood Market in Norfolk. Miller's daughter Alanna volunteered her time to pose as the clerk scrutinizing the underage purchaser's identification and preventing an illegal sale. Thanks also to Murphy's Irish Pub in Virginia Beach for providing the setting for the on-premise poster.

Funding came from the National Alcohol Beverage Control Association (NABCA) and the Va. Dept. of Behavioral Health and Developmental Services. These free posters can be ordered in bulk at [www.abc.virginia.gov](http://www.abc.virginia.gov) under the Alcohol Education tab "Brochures & Other Resources." ♦



Copies of these full-color posters are enclosed with this issue of the *Licensee*. Additional copies are available free of charge via [www.abc.virginia.gov](http://www.abc.virginia.gov).

### ***DON'T MISS IN THIS ISSUE! ...***

#### **2012 GENERAL ASSEMBLY UPDATE, PAGE 5**

Chief Operating Officer Curtis Coleburn provides a rundown of new legislation that is of interest to ABC-licensed businesses.

#### **RHODE APPOINTED TO ABC BOARD, PAGE 8**

Gov. Bob McDonnell has appointed Bryan M. Rhode as the ABC Board's newest commissioner.

#### **WHAT WENT WRONG?—SALES TO INTOXICATED, PAGE 10**

Share this Q&A and list of common problems related to sales to intoxicated individuals with your staff. Prevent similar problems at your establishment.



**Virginia Department of Alcoholic Beverage Control (ABC)** • [www.abc.virginia.gov](http://www.abc.virginia.gov) • <http://twitter.com/VirginiaABC>  
Balancing effective public safety, excellent customer service and a reliable source of revenue.

# LICENSEE

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*Licensee* is a quarterly publication for licensees of the Virginia Department of Alcoholic Beverage Control (ABC).



Virginia ABC is one of 14 state law enforcement agencies under the Office of Public Safety.



Governor Bob McDonnell



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## LETTER FROM ENFORCEMENT



An important part of Virginia ABC's mission is to "enforce the laws of the Commonwealth pertaining to alcoholic beverages and youth access to tobacco products...and provide effective public safety."

A large portion of the responsibility of fulfilling this mission lies with the 152 men and women working in the Enforcement Division. These sworn officers and support personnel are based in eight regional offices across the state. You probably know one or two of them by name.

ABC special agents have full police powers with a diverse range of duties from investigating license applicants and conducting alcohol and tobacco compliance checks, to enforcing laws in more than 17,000 licensed establishments. Criminal activities ranging from drugs, gangs and gambling, to money laundering and tax evasion are investigated and prosecuted.

Special agents also participate in, and often lead, state, local and federal investigations involving crimes such as illegal liquor manufacturing and distribution, cigarette smuggling, drug distribution and more. Additionally, these men and women lead licensee training efforts by conducting RSVP and MART programs.

Becoming a Virginia ABC special agent is a competitive process. In a recent recruitment effort, more than 650 individuals applied for 13 positions. Many applicants hold a college degree and have some previous law enforcement experience.

The hiring process involves screening applications to narrow the applicant pool to those with impressive applications. These applicants are invited to take a suitability test which further defines the pool. High scoring applicants must then participate in a panel interview process and pass a polygraph examination. The pool is again narrowed as thorough background investigations are conducted on the most suitable candidates. Applicants with the best overall packages are extended a conditional offer of employment.

Successful applicants become agents in training. Those agents who do not hold a Virginia law enforcement certification attend a 22-week basic law enforcement program at the Central Virginia Criminal Justice Academy in Lynchburg. Following the successful completion of the academy, these agents attend a four-week, intensive classroom curriculum in the Richmond headquarters on ABC laws and regulations. Afterwards each agent in training is paired for a minimum of 90 days with a Field Training Agent in the region in which they will be assigned.

In the very near future, 10 new agents will have completed the ABC Enforcement training program. These new special agents will complement the roster of experienced agents across the Commonwealth. Additionally, ABC is hiring another 10 agents who will join the agency later this fall.

Please join me in welcoming these new special agents to our ranks. I know they are eager to help our agency fulfill its public safety mission of ensuring that adults of legal age who choose to responsibly consume alcohol can do so in a safe environment—one that operates in compliance with the laws and regulations of the Commonwealth.

I ask you to remember that the responsibility of ensuring public safety goes beyond our sworn personnel. Each and every licensee has an obligation to assist in this endeavor by following the law and doing what is right. In the end, it's really a partnership. Our special agents are glad to be working with you!

—Director Shawn Walker

# Roger Stevens Named Supervisor of Virginia ABC Compliance Unit



SAC Roger Stevens

**S**PECIAL Agent in Charge Roger Stevens has recently assumed supervisory responsibilities for the Bureau of Law Enforcement's Compliance Unit. The Compliance Unit is staffed with five senior special agents (SSAs) whose primary areas of responsibility are the licens-

ing and monitoring of alcoholic beverage manufacturers and wholesalers as well as other types of industry related licensees.

Stevens encourages licensees who have ABC-related regulatory questions to contact their assigned senior special agent. You can contact SAC Stevens at (540) 332-7801 or [roger.stevens@abc.virginia.gov](mailto:roger.stevens@abc.virginia.gov)

Contact information for senior special agents in the ABC Compliance Unit is provided below, as well as listings for their geographical responsibilities. ♦

# Online Licensee Ordering

**C**LICK-CLICK, SEND. It's not quite that easy, but for some mixed beverage licensees, weekly ordering has become much simpler with the arrival of online ordering.

The new ordering system, successfully tested in three ABC stores last October, was made available at 10 additional stores in January. Since then 107 licensees have signed up for this streamlined method of ordering that's available 24 hours a day, 7 days a week. The system is expected to be rolled out to all stores and licensees in the next 30 days.

With online ordering, licensees can view real-time inventory levels at their primary ABC store, actual codes, current prices and current and future discount items.

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For Sean Cote, general manager at the Short Pump Chili's in Richmond, this means he no longer has to call or fax his orders in during certain hours. "We can go online anytime. And although it hasn't changed my business, it's certainly made things simpler."

Cote typically orders 10 to 30 bottles a week, depending on what specials his restaurant is promoting. He logs on to the system, files his order and receives an email when the order is ready for pickup. In Cote's case, his order is usually ready in a matter of hours. Typically, most licensee orders are ready in two to three days.

Larger licensees are equally pleased with the new ordering system.

Sean Ferrance, restaurant manager at the Cavalier Golf and Yacht Club in Virginia

## ABC COMPLIANCE UNIT

**SSA Orlando Caraballo**  
Roanoke Regional Office  
2943-D Peters Creek Road  
Roanoke, VA 24019  
(540) 562-3604, ext. 112

**Cities:** Bedford, Blacksburg, Bristol, Clifton Forge, Covington, Danville, Galax, Lynchburg, Martinsville, Norton, Radford, Roanoke, Salem.  
**Counties:** Alleghany, Bath, Bedford, Bland, Botetourt, Buchanan, Campbell, Carroll, Charlotte, Craig, Dickenson, Floyd, Franklin, Giles, Grayson, Halifax, Henry, Lee, Montgomery, Patrick, Pittsylvania, Pulaski, Roanoke, Russell, Scott, Smyth, Tazewell, Washington, Wise, Wythe.

**SSA Marc Haalman**  
Richmond Central Office  
2901 Hermitage Road  
Richmond, VA 23220  
(804) 213-4626

**Cities:** Colonial Heights, Richmond.  
**Counties:** Amelia, Appomattox, Buckingham, Caroline, Charles City, Chesterfield, Cumberland, Essex, Hanover, Henrico, King & Queen, King George, King William, Lancaster, Middlesex, New Kent, Northumberland, Nottoway, Powhatan, Prince Edward, Richmond, Westmoreland.

**SSA George Stockhowe**  
Chesapeake Regional Office  
1103 South Military Highway  
Chesapeake, VA 23320  
(757) 424-6700, ext. 218

**Cities:** Chesapeake, Emporia, Franklin, Hampton, Hopewell, Newport News, Norfolk, Petersburg, Poquoson, Portsmouth, Suffolk, Virginia Beach, Williamsburg.  
**Counties:** Accomack, Brunswick, Dinwiddie, Gloucester, Isle of Wight, James City, Lunenburg, Mathews, Mecklenburg, Northampton, Prince George, Southampton, Surry, Sussex, York.

**SSA John Craft**  
Staunton Regional Office  
460 Commerce Square  
Staunton, VA 24401  
(540) 332-7800, ext. 103

**Cities:** Buena Vista, Charlottesville, Harrisonburg, Lexington, Staunton, Waynesboro, Winchester.  
**Counties:** Albemarle, Amherst, Augusta, Clark, Culpeper, Fluvanna, Frederick, Goochland, Greene, Highland, Louisa, Madison, Nelson, Orange, Page, Rappahannock, Rockbridge, Rockingham, Shenandoah, Warren.

**SSA Katie Kelly**  
Alexandria Regional Office  
6308 Grovedale Drive  
Alexandria, VA 22310  
(703) 313-4432, ext. 306

**Cities:** Alexandria, Fairfax, Falls Church, Fredericksburg, Manassas, Manassas Park.  
**Counties:** Arlington, Fairfax, Fauquier, Loudoun, Prince William, Spotsylvania, Stafford.

Compliance Unit information is also provided online at [www.abc.virginia.gov](http://www.abc.virginia.gov), under the Law Enforcement tab "Manufacturers & Wholesalers." Please contact your regional compliance agent at any time with ABC-regulatory questions or email [compliance@abc.virginia.gov](mailto:compliance@abc.virginia.gov).

(continued on page 9)



# NEW PRODUCTS IN ABC STORES, SPRING 2012

Following are new products that have been added to Virginia ABC's price list effective May 1, 2012. For price and proof information about these products and others offered by Virginia ABC, please visit [www.abc.virginia.gov](http://www.abc.virginia.gov). Some items may not be stocked in all ABC stores, but upon order can be delivered to your local store within several days at no additional cost. Ask your local ABC store manager about purchasing items on the price list that are not presently available in the store.

Name	Prod. No.	Size	Name	Prod. No.	Size
<b>BOURBON</b>			<b>SCOTCH</b>		
Junior Johnson's Midnight Moon Blueberry	076044	750ml	Singleton Of Glendullan	006076	750ml
Evan Williams Cinnamon Reserve	073721	750ml	McClelland's Islay	005606	750ml
Jim Beam Red Stag Cinnamon	027582	750ml	McClelland's Lowland	005616	750ml
Jim Beam Red Stag Honey Tea	027577	750ml	Speyburn 10 Yr. Single Malt	006108	1.75L
Jack Daniel's Tennessee Honey	086672	1L	Old Pulteney Single Malt	005756	750ml
Prichard's Double Barrel	021076	750ml	Edradour Single Malt 10yr	004886	750ml
Knob Creek Rye	027048	750ml	Bushmills Irish Honey	064581	750ml
<b>BRANDY</b>			Clontarf Classic Blend	015560	750ml
Barsol Quebranta Primero Pisco	051067	750ml	Knappogue Castle 12 Yr. Irish Whiskey	015693	750ml
Courvoisier C	047805	750ml	<b>TEQUILA</b>		
Laird's Apple Jack	053536	750ml	El Charro Reposado	089383	750ml
Remy Martin 'V'	066296	750ml	1800 Coconut	064933	750ml
<b>CANADIANS</b>			Tres Agaves Anejo	089885	750ml
Canadian Club Dock 57	064593	750ml	El Mayor Blanco	087596	750ml
Pendleton Canadian Whisky	014192	750ml	123 Certified Organic Uno Blanco	088190	750ml
<b>COCKTAILS</b>			Patron XO Cafe Dark Cocoa	067599	750ml
Skinnygirl White Cranberry Cosmo	077395	750ml	Alien Silver	087083	750ml
Skinnygirl Pina Colada	077396	750ml	<b>VIRGINIA WINE</b>		
1800 Ultimate Pineapple Marg. RTD	059162	1.75L	Molon Lave 2010 Noiret	917214	750ml
Jose Cuervo Auth. Marg. Grapefruit Tangerine	058840	1.75L	Kluge Estate CRU	917175	750ml
Jose Cuervo Auth. Light Wildberry Marg.	058885	1.75L	Kluge Estate SP Blanc De Blanc	917176	750ml
<b>CORDIALS</b>			DuCard Gibson Hollow White	917212	750ml
HpnotiQ Liqueur	065189	1L	<b>VODKA</b>		
Celtic Honey Liqueur	064666	750ml	Burnett's Hot Cinnamon	042070	1.75L
Fabrizia Limoncello	073709	750ml	Burnett's Sugar Cookie	040639	1.75L
Sortilege Maple Liqueur	066816	750ml	Burnett's Raspberry Carry Pack	041319	750ml
Solerno Blood Orange Liqueur	066810	750ml	UV Chocolate Cake	040625	750ml
Cointreau	064778	1.75L	Pearl Red Berry	035961	750ml
Art In The Age Rhuby	072304	750ml	Pinnacle Cookie Dough	035907	750ml
Art In The Age Snap	072302	750ml	Pinnacle Atomic Hots	035937	750ml
Andong Sojoo Feel	065982	375ml	Pinnacle Key Lime Whipped	035950	750ml
<b>GIN</b>			Smirnoff Twist of Blueberry	040988	1.75L
Caorunn Scottish	028396	750ml	Little Black Dress Blueberry Pomegranate	040694	750ml
<b>MIXERS</b>			Little Black Dress Pineapple Honey	040697	750ml
Q Club Soda	997345	748ml	Lukususowa	034597	1L
Mr. & Mrs. T's Bloody Mary	997339	1.75L	Svedka Colada	035982	750ml
Mr. & Mrs. T's Bold & Spicy Bloody Mary	997338	1.75L	360 Double Chocolate	041019	750ml
Fat & Juicy Bloody Mary	997346	32oz	Sky Infusions Coconut	040661	750ml
Mr. & Mrs. T's Margarita	997340	1.75L	Sky Infusions Passion Fruit	040809	1L
Daily's Sangria	997344	1L	Pucker Vodka Lemonade Lust	040678	750ml
<b>RUM</b>			Absolut Cherrykran	034190	750ml
Admiral Nelson's Spiced	043027	1L	Absolut Grapevine	033994	750ml
Cake Jack	044294	750ml	Rain Organics Cucumber Lime	041161	750ml
Malibu Red	042312	750ml	Stolichnaya Hot	035970	750ml
Flip Flop Silver	046262	750ml	Stolichnaya Sticki	035973	750ml
Bacardi Dragon Berry	043050	1L	Skinnygirl Bare Naked	077412	750ml
Bacardi Black Razz	043209	750ml	Skinnygirl Tangerine	077415	750ml
Bacardi Wolf Berry	043210	750ml	Van Gogh PB & J	034555	750ml
Bacardi Oakheart Spiced	043203	375ml	Confucius Wisdom	073340	750ml
Captain Morgan Black Spiced	043302	750ml	Flyte	034254	750ml
Mount Gay Black	042621	750ml	Grey Goose Cherry Noir	035934	750ml
Old New Orleans Cajun Spice	046644	750ml	Ciroc Peach	064711	375ml

# 2012 General Assembly Summary

by Curtis Coleburn, Chief Operating Officer

*While the 2012 General Assembly did not consider any major groundbreaking alcoholic beverage legislation, it had its usual complement of bills introduced for the benefit of one industry member or another. Several of those enacted are of interest to ABC-licensed businesses.*

## Outdoor Advertising

One theme, which accounts for four of the enacted measures, was a continuation of the 2011 session's consideration of outdoor alcoholic beverage advertising. In 2011, a last-minute cobbling together of amendments to a mostly unrelated bill resulted in rules governing billboard advertising of alcoholic beverages that failed to satisfy anyone. This year, two identical bills, House Bill 471, sponsored by Delegate David Albo, and Senate Bill 398, introduced by Senator Emmett Hanger, made a number of changes to last year's enactment. The bills more clearly define where alcohol billboards may be located, with a detailed description of the method of measurement to be used to make sure signs are not too close to schools, playgrounds, and places of worship. The same two patrons also introduced House Bill 466 and Senate Bill 408, which merely confirm that all outdoor alcoholic beverage advertising signs in the highway right-of-way must comply with both ABC regulations and those of the Virginia Department of Transportation.

## Helping Virginia Craft Brewers

Craft brewers, whose numbers are once again on the increase in Virginia, also saw

friendly legislation. Senator Jeffrey McWaters sponsored Senate Bill 604, which added additional privileges to the brewery license. Brewers currently are required to obtain a second license to sell beer for off-premises consumption, and they must obtain a restaurant license in order to sell beer for on-premises consumption. Under the new law, brewers will be able to operate more like a Virginia farm winery, with on- and off-premises sales privileges combined into the brewery license. Delegate Jennifer McClellan introduced House Bill 359, which will legalize "contract brewing" arrangements in Virginia. Under the bill, a brewer can manufacture beer and transfer it to another brewer or a wholesaler. This is anticipated to be a boon to start-up breweries who wish to achieve production levels beyond their own manufacturing capacity.

## "Annual Mixed Beverage Motor Sports Facility License"

Virginia's two NASCAR tracks in Richmond and Martinsville should soon be able to sell mixed beverages throughout the facilities, thanks to identical House Bill 555 and Senate Bill 521, sponsored by Delegate Albo and Senator Frank Wagner, respectively. The bills create a new "annual mixed beverage motor sports facility" license. Currently, the tracks may only obtain mixed beverage licenses for use within restaurants.

## Sunday Openings for ABC Stores

House Bill 896, also sponsored by Delegate Albo, allows Virginia ABC to open any of its stores statewide after 1 p.m. on Sunday. For several years, ABC stores in Northern Virginia and the cities of Tidewater have been open on Sunday, and more recently the stores of Richmond have seen Sunday openings. Effective July 1, all the stores will be eligible for Sunday operation.

## ABC Stores at Virginia Distilleries

Senate Bill 353, introduced by Senator Creigh Deeds, will add an additional way for a distillery to qualify to host an ABC store on the distillery property. The new

legislation allows ABC to establish a state store at any distillery employing "traditional distilling techniques, including the use of authentic copper pot stills" in any county with a population under 20,000. This description seems to only fit a new distillery under construction in Nelson County.

## Underage Buyer Duties

House Bill 1091 and Senate Bill 406 are two identical bills introduced by Delegate John O'Bannon and Senator Emmett Hanger at the request of the Department of Alcoholic Beverage Control. The two bills make it clear that underage buyers employed for the purpose by the department may purchase and possess alcoholic beverages in the performance of their duties.

## Employing Unauthorized Aliens

Finally, Senate Bill 515, also sponsored by Senator Wagner, provides that the ABC Board may suspend or revoke the license of someone who is convicted of a violation of federal law involving the employment of unauthorized aliens. ♦



Senate Bill 604 and House Bill 359 benefit Virginia craft breweries.

# "Know Your Patron!"

## *ABC Cautions Licensees to Watch for Illegal Gang Activity*

**L**ICENSEES are frequently faced with requests from groups to use restaurant space to conduct meetings and celebrations. Supporting local organizations such as the Rotary Club, the Ruritans or a church group by hosting their regular meetings or special celebrations has always been a good business decision.

However this decision isn't as cut and dry as it used to be. Recently, requests for space have expanded to include those from loosely knit organizations who might not necessarily have the community's, or the licensee's, best interests at heart.

ABC's Bureau of Law Enforcement is cautioning licensees to carefully screen these new requests.

"Recent trends show members of gangs, such as illegal street and outlaw motorcycle gangs, are or are attempting to infiltrate licensed entities," said SAC Kyle Blanks. "And because of this, an increasing number of incidents involving violent crime have occurred in and around ABC-licensed establishments."

SAC Blanks was tasked with developing the Gang Specialist Unit in response to this trend. Created in December 2011, the specialized unit is responsible for identifying and investigating licensed establishments that cater to gangs and their illegal activities.

*"Our agents are working hand in hand with the licensee community to assist them with identifying suspected gang activity and/or gang members."*

—SAC Kyle Blanks

The specialists, male and female agents from across the commonwealth, completed training through the Virginia Gang Investigators Association (VGIA) and routinely attend specialized training on investigative skills and related topics. They are charged with investigating undisclosed

### WHAT IS A "GANG"?

A gang is a group or association of three or more persons who:

- have a common identifying sign, symbol or name; and
- who individually and collectively engage in, or have engaged in criminal activity which creates an atmosphere of fear and intimidation. Criminal activity includes juvenile acts that if committed by an adult would be a crime.

—Virginia Gang Investigators Association (VGIA)

Learn more by visiting the VGIA website at [www.vgia.org](http://www.vgia.org).

ownership, money laundering, other financial crimes and any other violations of law associated with gang activities or affiliations with licensed establishments.

Blanks said gang activity isn't limited to urban and metropolitan areas. "We're seeing it across the state, including Southwest Virginia," he said.

"Gang specialists work closely with local, state and federal law enforcement agencies and task forces designed to track and investigate illegal gang activity," said Blanks. Although still in its infancy, the unit is already teaming with local and State Police on a case in Tidewater. Blanks said the unit is continuing to make contact with local gang task forces to establish connections and offer assistance.

Licensees are an important part of the equation too. "Our agents are working hand in hand with the licensee community to assist them with identifying suspected gang activity and/or gang members," Blanks said. Information on gangs will now be included in the RSVP and MART training modules.

Blanks added, "We're empowering licensees to say 'no' to being used as a meeting place or hangout for groups suspected of illegal activities."

If you have specific questions relating to gang activity at your establishment, call Virginia ABC toll free at 800-552-3200. ♦

## INDUSTRY MATTERS

# Farm Winery Transfers to Tasting Room

by Charlie Lintecum, Tax Audit Supervisor

**W**HEN a farm winery executes a transfer of wine from its bonded area to the tasting room or "retail" area, a purchase order must be executed. A copy of the purchase order should be sent to Tax Management as soon as possible. For purchase orders executed near the end of the month, they must be postmarked by the 5th of the next month.

*When a farm winery executes a transfer of wine from its bonded area to the tasting room or "retail" area, a purchase order must be executed.*

These purchase orders should be compiled and listed on the Schedule A and added up to be the "quantity received" on line 2 of the monthly Wholesaler's Summary of Wine Sales and Taxes report. This report must be postmarked to Tax Management by the 15th of the month for the month prior. If purchase orders are sent with the report, then it must be postmarked by the 5th of the month for the month prior.

Transfers from bond should not be totaled onto one purchase order at the end of the month. The same goes for transfers used for remotes and/or festivals. Also, a total of sales through a POS system should not be used for creating a purchase order. Purchase orders should match bonded inventory depletion.

Questions on this process should be directed to the Tax Management section at 804-219-2034. ♦

[www.abc.virginia.gov](http://www.abc.virginia.gov)

## **Roanoke Agents Bust Moonshine Operation**

Roanoke regional agents concluded a long-term investigation in January involving the manufacturing of untaxed liquor in Roanoke County. Agents seized an assortment of distilling equipment which included two stills in full operation and three functional, but non operational stills. Other items seized included approximately 200 gallons of untaxed liquor, approximately 700 gallons of live mash, \$10,900 and four firearms.

## **Staunton Agents Partner with JADE**

The combined efforts of Staunton agents and officers with the Jefferson Area Drug Enforcement Task Force (JADE) resulted in criminal charges for an Albemarle man. Agents executed a search warrant and seized an illegal distilling apparatus, a working mash barrel, alcohol meters, grain, yeast, approximately 10 gallons of untaxed liquor in various containers and a recipe book.

## **Southwest Agents Charge Unlicensed Establishment**

In conjunction with Radford City police officers, Southwest agents conducted a recent observation of an unlicensed Radford establishment. The operation resulted in 16 charges for selling alcohol without a license and underage possession of alcohol.

## **Southwest Agents Seize Synthetic Marijuana**

A lead from Wythe County law enforcement regarding the sale of tobacco to underage buyers led Southwest agents to search a Fairlawn establishment. More than 700 packages of alleged synthetic marijuana and various pieces of drug paraphernalia were seized. Agents anticipate grand jury indictments for distribution of synthetic marijuana and possession of drug paraphernalia.

## **Richmond Agents Conduct Compliance Checks**

All sworn personnel for Region 6 participated in a city-wide compliance check of 112 licensed establishments. Agents conducted inspections examining: food sales invoices, ABC Managers posted on duty, ABC license properly posted, business records maintained as required by ABC regulations and other compliance issues. Only one violation and 18 written warnings were issued.

## **Richmond Agent Speaks at Virginia State University**

SAC Donnie Brown spoke with the Petersburg Police Department and Virginia Department of Corrections for the National Organization of Black Law Enforcement Executives (NOBLE) at Virginia State University. The presentation offered suggestions on how to communicate effectively with law enforcement officials and discussed citizens' rights and responsibilities. Approximately 30 VSU criminal justice students attended.

## **Hampton Agents Work Undercover To Enforce Lewd Conduct Laws**

Special agents in Hampton joined Newport News Police Department's Organized Crime Division for an undercover operation at two local establishments. Eight female dancers and two managers were charged with lewd conduct under city ordinances. Two administrative cases were also filed.

## **Compliance Officers Meet with Farm Wineries**

ABC officials hosted a meeting for Virginia farm wineries to discuss compliance issues. Winery representatives were invited to Verona to talk about any concerns and seek answers to their questions from the chairman, chief operating officer, director of field operations and other agency compliance officers.

## **Fredericksburg Agents Respond to College Heights Complaints**

In response to an increase in complaints from citizens regarding littering, vandalism and other quality of life issues in their neighborhood, special agents conducted an operation in the College Heights area of Fredericksburg. With assistance from the Fredericksburg Police Department, licensed establishments in and around the University of Mary Washington campus as well as off-campus college parties were checked. Seven arrests were made for drunk in public, underage possession of alcohol, drinking in public and one larceny.

## **Chesapeake Agents Lead Training**

Agents from the Chesapeake office conducted training for newly hired ABC agents in Richmond. The instructors provided covertly recorded documentation of ongoing criminal activity including the illegal manufacturing and sales of wine and whiskey inside and outside the Commonwealth. They also presented different approaches for conducting undercover operations to effectively prosecute retail theft "boosting" operations, nip joints and prostitution operations, lewd and lascivious behavior and the sale of narcotics occurring at both licensed and unlicensed establishments.

### **QUICK REMINDER**

Licensees who utilize private security must only use licensed individuals or companies licensed under the Department of Criminal Justice Services. This does not apply to an employee who acts as a doorperson.

### **ABC CRIMELINE**

To report a crime relating to any ABC laws, please call ABC's Enforcement CRIMELINE: (866) 437-3155. Or use the "Violation Complaint Form," available online at [www.abc.virginia.gov](http://www.abc.virginia.gov).



# Wholesaler Invoice Issues

by Charlie Lintecum, Tax Audit Supervisor

FOR THIS EDITION, the focus is on invoices and proper information required and/or recommended for inclusion. This information is applicable to sales invoices (taxable or not), transfers, purchase orders, etc.

## Minimal Requirements (3VAC 5-70-90-B)

- Quantity of all such alcoholic beverages sold
- Dates of all sales
- Names and addresses of all businesses sold to or from
- Quantities and kinds of alcoholic beverages sold
- Prices charged
- Applicable taxes (if any)
- Duplicate copy for the “delivered to” business

## Product Approval (Tax Management)

For in-state taxable sales, the product approval code and applicable product description must be on each invoice. For additional information on product approval, contact Tax Management at 804-219-2034.

## License Number on Invoice

As part of the requirement granted with wholesale licenses, sales and deliveries can be made to “persons licensed under this chapter to sell such beer or wine in the Commonwealth.” This means that as part of the sale and delivery process, the wholesaler must ensure that the purchaser is lawfully licensed by ABC.

*The Tax Audit team has encountered a number of wholesalers using outdated retailer license numbers. Wholesalers can address this easily by including the license number on invoices and having delivery drivers compare it to the license posted at the business before completing delivery.*

The Tax Audit team has encountered a number of wholesalers using outdated retailer license numbers. Wholesalers can address this easily by including the license number on invoices and have delivery drivers compare it to the license posted at the business before completing delivery. If employing this practice, it is advisable to use the Licensee Search Form on ABC’s website to verify the license numbers. This should be a regular practice to ensure your records and drivers have up to date information. The Licensee Search Form is under the Licensee Resources tab ([www.abc.virginia.gov/licensing.html](http://www.abc.virginia.gov/licensing.html)).

As always we encourage everyone to communicate with the Tax Audit team anytime you have questions related to the audit process. The easiest way to reach us is through our [tax.audit@abc.virginia.gov](mailto:tax.audit@abc.virginia.gov) email address. Thanks to all who have worked with us to make their audits as smooth as possible. ♦

## Rhode Appointed to ABC Board

Gov. Bob McDonnell has appointed former Richmond prosecutor Bryan M. Rhode, 37, as commissioner to the ABC Board. Rhode joins Chairman J. Neal Insley and Commissioner Sandra C. Canada.

Most recently an assistant commonwealth’s attorney in Richmond, Rhode has significant experience working with various local, state and federal agencies to investigate and prosecute crime.

“I’m tremendously excited about joining such a complex and dynamic agency,” Rhode said. “There are many strategic plans underway here, and I’m humbled to serve as a part of the team that will move the agency forward.”

*“I’m tremendously excited about joining such a complex and dynamic agency.”*

—Bryan M. Rhode

Rhode previously was a Marine Corps infantry officer and served as a platoon and company commander. He earned his J.D. from the University of Virginia School of Law, a MSc in public policy and administration from the London School of Economics and a B.A. in international politics with minors in history and military studies from Pennsylvania State University. ♦



Commissioner Bryan M. Rhode



## TASTING EVENTS

ABC is proud to present tasting events at ABC store locations across the state, allowing customers to sample select products before making a purchase. Vendors have hosted 3,000 tasting events at 200+ stores! For a schedule, visit [www.abc.virginia.gov](http://www.abc.virginia.gov).



Beach, switched to the new system in March and is a fan.

"It's made my life a little easier," he said "especially when I'm ordering something out of the ordinary." Ferrance is referring to a built-in search function that enables licensees to search for products by name, partial name or category. The search capability is useful during the wedding season when he will order 50 bottles a week with special requests from brides.

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David Walker, ABC program support technician for retail operations, said stores filling online orders no longer have to interpret handwritten orders or deal with language barriers. "By eliminating manual data entry we're reducing errors and providing better customer service to licensees," he said.

Ferrance agreed. "It sure beats the paper and pencil method." ♦

## COMPLIANCE Q&A

**Q. Advertised barrel tastings at area wineries were recently cancelled because of their legality. Why aren't these events permitted?**

**A:** Although the popularity of public barrel tastings is new, the law is not. Virginia Code provides that all wines sold in the commonwealth must be approved for content, container and label. Allowing guests to sample wine directly from the barrel doesn't follow these provisions. This law has been in effect since farm wineries were first legalized in the '80s and is the reason why wineries have events scheduled in tasting rooms. Free tastings are permitted as long as they meet the above criteria regarding content, container and label.

## 2012 MART & RSVP SUMMER SCHEDULE

### May (RSVP)

**5/16 Cedar Bluff**  
Southwest Virginia  
Community College, King  
Community Ctr.,  
724 Community College Rd.,  
9 a.m.–12 p.m.

**5/16, Chesapeake**  
Chesapeake Regional ABC  
Office, 1103 South Military  
Hwy., (two sessions)  
9 a.m.–12 p.m. & 1–4 p.m.

**5/16, Farmville**  
South Street Conference  
Bldg., 124 South St.,  
1–4 p.m.

**5/17, Winchester**  
Winchester Moose Lodge,  
215 East Cork Street,  
9 a.m.–12 p.m.

**5/23, Hampton**  
Old Dominion University /  
Peninsula Higher Education  
Center, 600 Butler Farm Rd.,  
9 a.m.–12 p.m.

**5/23, Richmond**  
Brown Distributing,  
7986 Villa Park Dr., 1–4 p.m.

**5/23, Roanoke**  
Roanoke Regional ABC  
Office, 2943-D Peters Creek  
Rd., 9 a.m.–12 p.m.

**5/30, Alexandria**  
Alexandria Regional ABC  
Office (Fairfax County), 6308  
Grovedale Dr., (two sessions)  
9 a.m.–12 p.m. & 1–4 p.m.

### June (MART)

**6/5, Lynchburg**  
Lynchburg Regional ABC  
Office, 20353-A Timberlake  
Rd., 10 a.m.–4 p.m.

**6/12, Charlottesville**  
Va. Dept. of Forestry,  
Fontaine Research Park, 900  
Natural Resource Dr.,  
Suite 800, first floor,  
10 a.m.–4 p.m.

**6/15, Galax**  
Galax Public Library, 610  
West Stuart Dr., 9 a.m.–3 p.m.

**6/20, Chesapeake**  
Chesapeake Regional ABC  
Office, 1103 South Military  
Hwy., 9 a.m.–3 p.m.

**6/20, Richmond**  
Brown Distributing, 7986  
Villa Park Dr., 10 a.m.–4 p.m.

**6/27, Alexandria**  
Alexandria Regional ABC  
Office (Fairfax County), 6308  
Grovedale Dr., 10 a.m.–4 p.m.

**6/27, Hampton**  
Old Dominion University /  
Peninsula Higher Education  
Center, 600 Butler Farm Rd.,  
9 a.m.–3 p.m.

### July (RSVP)

**7/11, Radford**  
Radford Police Department,  
20 Robertson St, 9 a.m.–1 p.m.

**7/12, Roanoke**  
Roanoke Regional ABC  
Office, 2943-D Peters Creek  
Rd., 9 a.m.–12 p.m.

**7/18, Chesapeake**  
Chesapeake Regional ABC  
Office, 1103 South Military  
Hwy., (two sessions)  
9 a.m.–12 p.m. & 1–4 p.m.

**7/18, Richmond**  
Brown Distributing,  
7986 Villa Park Dr., 1–4 p.m.

**7/18, Staunton**  
Staunton Regional ABC  
Office, 460 Commerce  
Square, 1–4 p.m.

**7/25, Alexandria**  
Alexandria Regional ABC  
Office (Fairfax County), 6308  
Grovedale Dr., (two sessions)  
9 a.m.–12 p.m. & 1–4 p.m.

**7/25, Hampton**  
Old Dominion University /  
Peninsula Higher Education  
Center, 600 Butler Farm Rd.,  
9 a.m.–12 p.m.



## REGISTER FOR RSVP & MART CLASSES TODAY!

RSVP and MART are unique training programs for sellers & servers (RSVP) and managers & owners (MART) of Virginia's licensed establishments—all sessions are taught by ABC special agents. Register online via ABC's website ([www.abc.virginia.gov](http://www.abc.virginia.gov)) and receive automatic email confirmation, directions to the training site and parking instructions. Follow us on Twitter for the latest training news! For more information, please visit the website, email [education@abc.virginia.gov](mailto:education@abc.virginia.gov) or call (804) 213-4571.

## QUICK REMINDER

Licensees are required to report to ABC any changes in officers, directors, shareholders, partners or members within 30 days of any such change. Failure to comply can result in ABC violations.

## IDEAS & COMMENTS

If you have an issue or question you'd like addressed in this newsletter, please email [pubrel@abc.virginia.gov](mailto:pubrel@abc.virginia.gov) or call (804) 213-4413. We're eager to receive your ideas and comments.

## WHAT WENT WRONG? Sales to Intoxicated

Sale of alcohol to an intoxicated individual may result in a criminal summons for the individual who sold and an administrative violation against the license. Following are some common scenarios described by sellers and servers when charged with a violation for sales to intoxicated, suggestions for how to avoid these problems and a related Q&A. Please share this information with every person on your staff.

Circumstance	Solution
1. "That person wasn't intoxicated from what I served him. He had just arrived. I only served one drink!"	It's important, especially when the business is very busy; to begin the screening process at the door and to have a plan in place for avoiding sales to intoxicated individuals. It's not rare for a person to be cut-off at one establishment and then wander in to a nearby restaurant. A customer, whose intoxication is in question, might tell the doorperson he/she is only coming in to get something to eat. In this circumstance, the doorperson needs to communicate this information to the service staff—especially since, once inside, the person may resume drinking.
2. "I cut that person off but she went to another area and somehow got another drink."	This is challenging, especially in larger establishments that have several different rooms and bars. Again, there should be a plan in place to prevent a person from being cut off in one area and subsequently purchasing alcohol in another area. Licensees must be careful to control all areas of the establishment including bathrooms, booths, the parking lot, etc. It's a good practice, if an establishment closes down service in one area of the restaurant, to secure that area. It is the responsibility of the licensee to be sure the staff can observe all patrons at all times.
3. "I don't understand how I could be charged. We were busy and I'd just started my shift."	When there is a shift change, if there are concerns about any customers, the departing employee/manager needs to share that information with the staff coming on duty.

### LICENSEE Q&A

#### Q. How is "intoxicated" defined?

A: According to the Code of Virginia, "intoxicated" means a condition in which a person has drunk enough alcoholic beverages to observably affect his manner, disposition, speech, muscular movement, general appearance or behavior.

#### Q. Is it safest to kick out anyone who appears intoxicated?

A: No, an agent's primary concern is for public safety. We don't encourage licensees to turn an intoxicated person out on the street. If a person is at your establishment and is intoxicated, the best scenario is to cut the person off immediately and employ a **containment strategy**. We suggest you offer to call a designated driver or taxi.

#### Q. Some people are just loud, some people slur their words, others look drowsy because they've been working long hours. What advice can you give on making the determination if a person is intoxicated?

A: A primary way to determine if a person is intoxicated is to engage him/her in conversation. Don't just ask the person how many drinks they've had, ask other questions. This allows the server to better observe the person. Staff members need to be vigilant and check and recheck whether the person appears intoxicated.

#### Q. What if I'm working on the containment strategy but the customer is getting really angry and seems to be looking for a fight? Then do I kick him out?

A: Ultimately, if you believe the person is a danger to himself or others and your efforts to contain the situation were unsuccessful, you'll need to call local police, especially if the person becomes hostile or combative. You cannot allow an intoxicated patron to remain indefinitely at your establishment, without taking preventative measures.

#### Q. Can I work with other customers in the person's party to handle the situation?

A: Yes, if the person is with a friend or group whose members are sober, talk to them and figure out how to get the person home safely. Also, you might offer the person food or non alcoholic beverages.

#### Q. What if an agent comes in and I've got an intoxicated customer?

A: If an ABC agent comes in and encounters an intoxicated individual be ready to explain the actions you've taken to handle the situation. It can be helpful also to keep an informal log. The log can be used as a reference if a problem arises later and is a good training tool to promote responsible selling and serving.

—SSA David Huff

Seeing double?

Let's make it clear.

We don't serve intoxicated patrons.  
It's the law!

DBHDS  
Division of Behavioral Health and Substance Abuse Control

ABC  
Virginia Association of Beverage Control Agents

NABCA  
National Association of Beverage Control Agents

See page 1 of the *Licensee* for information about ordering additional free copies of the enclosed posters, which concern preventing sales to intoxicated patrons and underage individuals.

[www.abc.virginia.gov](http://www.abc.virginia.gov)

# Tobacco Sellers: Virginia ABC Special Agents to Conduct FDA Checks

By Senior Special Agent David Huff

IN THE NEAR FUTURE, Virginia ABC special agents will be conducting unannounced compliance inspections of businesses selling tobacco products as part of an ongoing effort to enforce the applicable provisions of the Tobacco Control Act. The Tobacco Control Act was enacted by Congress to prevent the use of tobacco products by children and adolescents, thereby reducing the impact of tobacco on public health. These checks will be conducted under the authority of the U.S. Food and Drug Administration (FDA). The special agents conducting these checks have been commissioned and credentialed by the FDA to carry out this mission.

*These checks will be conducted under the authority of the U.S. Food and Drug Administration (FDA).*

The inspections will fall into two categories: undercover buy (UB) and advertising & labeling. During a UB inspection, a person under 18, the legal age to possess tobacco, will attempt to purchase a tobacco product (cigarettes, smokeless tobacco, or roll-your-own tobacco). This person will have in his/her possession a valid state-issued ID with their photograph and correct date of birth. The process is almost identical to UB tobacco and alcohol checks conducted since 1998.

During an advertising & labeling inspection, special agents will focus on the methods of sale, advertising and labeling of cigarettes and smokeless tobacco as enumerated in federal regulations. Information and guidance for retailers concerning these regulations can be found at: [www.fda.gov/TobaccoProducts/ResourcesForYou/ForInd](http://www.fda.gov/TobaccoProducts/ResourcesForYou/ForInd)

ustry/Retailer. Any retailer of tobacco products may also contact their local ABC Regional Office for additional guidance regarding this matter. Information concerning the location, office hours and phone numbers of the ABC Regional Offices can be found at [www.abc.virginia.gov](http://www.abc.virginia.gov).

Most tobacco retailers are compliant and refuse sales to underage customers. For the most recent reporting period, establishments achieved an 89 percent tobacco compliance rate. This is a 16 percent improvement from the initial round of checks conducted 12 years ago.

We look forward to continuing to work with the retail community as a partner, reducing youth access to tobacco products. Please do not hesitate to contact ABC should you have any questions regarding this matter. ♦



Virginia ABC's "Do Not Sell" stickers help licensees meet compliance requirements for selling tobacco and alcohol products. Available in English and Spanish, these stickers can be conveniently placed near cash registers or anywhere purchases are made. They are available free of charge from your regional ABC office or by contacting ABC's Public Affairs Division at [pubrel@abc.virginia.gov](mailto:pubrel@abc.virginia.gov) or (804) 213-4418. When ordering, please specify quantity.

## QUICK REMINDERS

- Sale of single cigarettes is prohibited.
- Cigarettes must be sold in sealed packages provided by the manufacturer, with the required health warning.
- The proprietor of every retail establishment that offers any tobacco product for sale, including but not limited to cigarettes, cigars and bidis, shall post in a conspicuous manner a sign or signs indicating that the sale of tobacco products, including wrap-pings, to any person under 18 years of age is prohibited by law.
- Free signs and stickers are available from your regional ABC office.





**ABC WANTS  
TO SOCIALIZE  
WITH YOU**



In previous issues of the *Licensee*, we invited licensees to join ABC's growing social media presence.

- Facebook: "Virginia Department of Alcoholic Beverage Control"
- YouTube: [www.youtube.com/vaabc](http://www.youtube.com/vaabc)
- Twitter: @VirginiaABC

Please check out what's available and join us in the social media realm.

**IN SEARCH OF UNIQUE  
LICENSEE PROGRAMS**

Does your business participate in a local program designed to promote public safety? How do you encourage employees to check IDs and avoid underage sales? Are you rewarding employees with something special? Do you have a standard practice for checking IDs? Are you implementing a distinctive compliance program?

The *Licensee* would like to share more stories about licensee initiatives launched to foster responsible consumption, voluntary compliance & public safety. Please email your stories to [pubrel@abc.virginia.gov](mailto:pubrel@abc.virginia.gov).